



**MINUTES**  
**Economic Development Authority**  
**February 19, 2019**

**CALL TO ORDER**

The Economic Development Authority meeting was called to order at 5:00 pm.

**Present:** Chair: Jahn Dyvik; Vice Chair: Lori Goodsell; Board: Tim Hultmann, Michelle Jerde, Marty Schneider, Tom Skjaret, Deirdre Kvale, and Charlie Miner

**Staff Present:** City Administrator/Executive Director: Scott Weske; City Attorney: John Thames; Planning Consultant: PeggySue Imihy

**Absent:** None

**PLEDGE OF ALLEGIANCE**

**APPROVE AGENDA**

*A motion was made by Jerde, seconded by Skjaret, to approve the agenda. Ayes: all.*

**CONSENT AGENDA**

*A motion was made by Hultmann, seconded by Jerde, to approve the minutes of the January 22, 2019 EDA meeting. Ayes: all.*

**OPEN CORRESPONDENCE**

None.

**BUSINESS ITEMS**

**Recommend Authorization to Close on the Purchase of Property Located at 1905 Wayzata Boulevard W – Former BP Station Site**

City Attorney Thames gave a brief summary of staff's recommendation to end the due diligence period and proceed with closing on the purchase of the property. Following the last EDA meeting, he had informed the seller of the EDA's consensus that there would be no further testing in the garage and car wash areas, requesting that the separator traps be pumped and any barrels be removed from the site. He was informed that this work has been completed and Public Works Director Diercks visited the site to confirm that the work had actually been done. He distributed copies of the pro forma title commitment and endorsement from the title company, and reviewed some his recommended amendments and additions.

The Board discussed details of the pro forma and completing the purchase of the property.

*A motion was made by Commissioner Hultmann, seconded by Commissioner Schneider, to recommend to the Council that the Mayor and City Administrator be authorized to execute any and all necessary documents to effectuate the closing of the purchase of the subject property at 1905 Wayzata Boulevard W. Ayes: All.*

**Presentation: Basics of Tax Increment Financing – Stacie Kvilvang, Ehlers, Inc.**

Stacie Kvilvang of Ehlers, Inc. gave a basic overview of Tax Increment Financing (TIF) and how it can be utilized in the City. She noted that it is not simply “free money” that cities are giving to developers, clarifying that State statutes are in place governing what can and cannot be done with TIF. She explained the usual reason that cities consider creating a TIF district is to encourage and enhance development or redevelopment. She gave an overview of an example TIF calculation for a 26-year district for a fictional development. She noted that TIF is only generated after a development adds value to a property and the property must still pay property taxes. She reviewed the types of districts and their maximum length. She noted that the City has, in the past, had a redevelopment district which has a maximum length of 26 years. She briefly explained the “but for” test with regard to TIF. She noted that TIF money cannot be used for recreational facilities such as parks, trails, and ice arenas or City buildings. She explained that the majority of the time, the developers will “up front” the costs. She stated that the most frequently used TIF option is the pay-as-you-go TIF note. She reviewed the existing TIF districts in the City, involving the AmericInn and Three Point development, which will decertify on December 31, 2027. She reminded the EDA that the City already has a TIF policy and an application form in place, and answered questions from the EDA regarding TIF districts and the procedure to start the analysis process.

**Presentation: Planned Unit Development (PUD) Zoning District Review – Peggy Sue Imihy, WSB**

Planning Consultant Imihy gave an overview of the PUD zoning district and noted that there are a few sites within the City that would be potential PUD sites. She stated that the PUD zoning classification provides flexibility in usage and allows mixed use developments to occur. She reviewed the process for PUDs in the City, beginning with requiring an application for a PUD concept plan review before applying for approval of a PUD master development plan. She clarified that a public hearing would be required for rezoning a property to a PUD district. She commented that the downtown village area has been identified as being intended to be zoned PUD someday and noted that the City will have to revisit and amend the existing PUD ordinance because it doesn’t function properly or match the Comprehensive Plan. She reviewed the setbacks and building height allowances in the current PUD ordinance. It was indicated that staff may recommend the City repeals the existing PUD ordinance in order to replace it with one that is more suitable to the City. She explained inconsistencies within the existing PUD ordinance, and advised that staff will work on drafting a new PUD ordinance to better suit the City’s needs and concerns.

City Administrator Weske noted that staff is hoping to have the first reading of the ordinance at the Planning Commission meeting in March, if possible.

Chair Dyvik noted that the City is at a standstill with regard to having development move forward without having the Comprehensive Plan match the ordinance.

**OTHER BUSINESS**

None.

**ADJOURN**

*Chair Dyvik adjourned the February 19, 2019 EDA meeting at 6:25 pm by general consent.*

Respectfully submitted,  
Scott Weske, Executive Director